

Ed Bartlett Council Member John D. Hines Council Member

September 8, 2003

The Honorable Jon Tester 709 Son Lane

709 Son Lane Big Sandy, Montana 59520 The Honorable Dave Wanzenried

903 Sky Drive

Missoula, Montana 59804

Dear Senator Tester and Representative Wanzenried:

Thank you for your letter to the Governor's Energy Consumer Protection Task Force regarding affordability and energy efficiency issues. Protecting low-income Montanans from higher energy bills this winter, primarily from natural gas increases, is one of the reasons the task force was formed. We will address long-term solutions, including structural changes, at future meetings.

I am pleased to report the Task Force has already taken some steps to help low-income Montanans this upcoming winter. At our first meeting on August 27, the Task Force was made aware of approximately \$1.7 million in funds that could be available for low-income Montanans. The Task Force recommended to the Governor that these unallocated dollars be dedicated to helping low-income consumers this coming winter. In response, the Governor has already requested of NorthWestern Energy and the Public Service Commision (PSC) that these funds be transferred for low-income purposes. At our next meeting we will be discussing more specifically how this money should be used within the category of low-income programs.

In your letter you asked the Task Force to look at using some of the \$73 million in federal aid money to help low-income Montanans and senior citizens pay their power bills this winter. This was also discussed at our August 27 meeting. The Governor's Budget Director said this was a high priority for the Governor. The Task Force will continue to discuss this after first estimating additional needs for low-income bill assistance. A subcommittee has been formed to develop this information.

The Task Force discussed energy efficiency in great detail, including presentations on low-income targeted efficiency measures. The Task Force also requested the Department of Environmental Quality to look at the cost-effectiveness of our current building codes. As an aside, the Northwest Power and Conservation Council (NWPCC) is petitioning for intervention in a NorthWestern Energy docket before the PSC. If granted, the NWPCC will be asking for greater recognition and inclusion, where warranted, of energy efficiency in the default supply portfolio.

Let me assure you that the Task Force appreciates the magnitude of the energy issues facing Montanans and we are taking our jobs very seriously. I also appreciate your concern and your involvement in these matters. The Task Force meets again on Friday, September 12 to discuss these additional consumer protection issues. I hope you are able to attend.

Please let me know if you have any questions or comments on these urgent matters.

Sincerely,

John Hines Chairman

Governor's Energy Consumer Protection Task Force